



Office of Health Plan Administration
P. O. Box 1953
Sacramento, CA 95812-1953
TTY for Speech and Hearing Impaired (916) 795-3240
(916) 795-3579; FAX (916) 795-1513

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AGENDA ITEM 3b

TO: MEMBERS OF THE HEALTH BENEFITS COMMITTEE

- I. SUBJECT:** Quality Report
- II. PROGRAM:** Health Benefits
- III. RECOMMENDATION:** Information Only
- IV. BACKGROUND:**

The purpose of this agenda item is to provide information on two sets of quality measures available to CalPERS members: the Health Plan Member Survey and the Healthcare Effectiveness Data and Information Set (HEDIS®). The agenda item summarizes the methodologies of the Member Survey and of HEDIS, the methods by which CalPERS communicates the results of these efforts to members, and selected trends in Member Survey and HEDIS results.

V. ANALYSIS:

Health Plan Member Survey

Methods

CalPERS Health Benefits Branch (HBB) contracts with a research company to conduct its annual Health Plan Member Survey. The survey assesses members' satisfaction with their health plan over the last 12 months.

Staff used a modified version of the *Consumer Assessment of Healthcare Providers and Systems (CAHPS) Survey*, which is an industry standard tool for measuring health plans. To be eligible to participate, members had to be (1) age 18 and over; (2) continuously enrolled between January 1, 2009 and December 31, 2009; and (3) enrolled at the time of the survey (March 22, 2010 and May 14, 2010).

Researchers sent surveys to a random sample of 1,100 eligible members from each Basic and Medicare health plan that had at least 2,000 members. This year, the researchers also sent surveys to a random sample of 829 eligible

members from the Blue Shield of California (BSC) NetValue Medicare plan; staff had not obtained member feedback on the plan in 2008-2009 due to low membership.

Researchers surveyed 16,229 members (15 health plans) and received 8,425 completed surveys, for a total response rate of 53 percent. The average response rate for Basic plans was 38 percent; for Medicare plans, it was 75 percent.

Communication to Members

Data for the 2010 Overall Rating of Health Plans (percentage of respondents who rated their health plan an 8, 9, or 10 on a 10-point scale) were included in the *2011 Health Benefit Summary* and Fall 2010 edition of *Employer News*. Staff also included this rating plus six additional ratings on CalPERS On-Line. Results for Association plans have not been released publicly due to restricted membership; results for BSC NetValue Medicare plan have not been released publicly due to small enrollment numbers.

Trends

Figures 1 and 2 in the Attachment provide the Overall Rating of Health Plans for Basic and Medicare plans between 2006 and 2010. Notable patterns and trends included:

- Ratings of Medicare plans were higher than ratings of Basic plans.
- Kaiser Permanente's Basic plan rating fluctuated between a low of 67 percent in 2008 to a high of 77 percent in 2009, then decreased again to 72 percent in 2010. The Medicare plan rating fluctuated around 87 percent with a low point of 84 percent in 2007.
- BSC Access+ Basic and Medicare plan ratings fluctuated around 63 percent and 82 percent, respectively. Both plans had a slight dip in 2008.
- BSC NetValue's Basic plan, first surveyed in 2009, held its rating steady around 65 percent.
- PERSCare's Basic plan rating rose from 67 percent in 2006 to 77 percent in 2009, falling slightly to 72 percent in 2010. The Medicare plan rating rose from 90 percent in 2006 to 93 percent in 2008 and is holding steady above other Medicare plans.
- PERS Choice Basic and Medicare plan ratings fluctuated around 55 percent and 85 percent, respectively. Both plans had a slight increase in 2009.
- PERS Select's Basic plan, first surveyed in 2009, increased its rating slightly from 44 percent in 2009 to 47 percent in 2010, but remains the lowest rated plan.

Healthcare Effectiveness Data and Information Set (HEDIS®)

Methods

The National Committee for Quality Assurance (NCQA) publishes national quality measures known as HEDIS. According to NCQA¹, "HEDIS is a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service. Altogether, HEDIS consists of 71 measures across 8 domains of care. Because so many plans collect HEDIS data, and because the measures are so specifically defined, HEDIS makes it possible to compare the performance of health plans on an 'apples-to-apples' basis." Many of the 71 measures consist of more than one part; for example, the measure "Childhood Immunization Status" has nine parts such as "Combination 3" for children who have received a total of seven sets of recommended vaccinations on or before their second birthday.

HEDIS data are collected in a standardized, audited fashion by all participating health plans. Because of the time required to obtain HEDIS data, the "reporting year" refers to the year after the "measurement year." For example, reporting year 2010 refers to data on plan performance in 2009.

HBB receives HEDIS performance measure results from the California Cooperative Healthcare Reporting Initiative for the Health Maintenance Organization (HMO) plans (Kaiser Permanente and BSC) and directly from Anthem Blue Cross for the self-funded Preferred Provider Organization (PPO) plans. The HMO scores include data from all California members of the HMOs (not only CalPERS members); in contrast, the PPO scores include data from CalPERS members only.

Communication to Members

The Health Plan Chooser online contains a table of "Clinical Scores for Basic Plans" showing scores for 58 HEDIS measures by plan for reporting year 2010. These 58 measures are those selected by the California Cooperative Healthcare Reporting Initiative for public reporting across nine California health plans, including the plans with which CalPERS contracts. The 58 measures are in the two HEDIS domains "Effectiveness of Care" and "Access/Availability of Care."

Trends

Individual HEDIS Measures:

Staff focused on 12 HEDIS measures for Basic members that are reported by both HMO and PPO plans and that are being used in contractual pay for performance provisions and performance guarantees with CalPERS health plan partners.

¹ Source: <http://www.ncqa.org/tabid/187/Default.aspx>.

Attachment Figure 3 shows three years of trend data for HMO plans BSC and Kaiser Permanente; Attachment Figure 4, for PPO plans PERSCare and PERSChoice. PERS Select was not included in the three-year trend chart for PPOs, as it has accrued only two years of HEDIS data.

- The trends for both HMO plans show either sustained scores or improvement across all 12 measures and for all three years with the exception of a downward performance trend for BSC on two of the 12 measures. Kaiser scored higher than BSC on all 12 HEDIS measures in each year.
- For the two PPO plans (PERSCare and PERSChoice), HEDIS scores are similar across all 12 measures over the three-year trend, though PERSCare has slightly higher scores overall.

Comparing HEDIS Scores Against National Means:

The HMO and PPO plans' HEDIS scores were compared with their respective national means across the 12 measures and across the three reporting years. The statistical significance of such differences was not calculated; Attachment Figure 5 shows the number of measures falling above and below those means.

- BSC's scores were above the HMO national means on about half the measures each year. Kaiser Permanente's scores were above the HMO national means for all three years.
- Both PERSCare and PERS Choice exceeded the PPO national means on approximately two-thirds of the measures.

Next Steps

The annual Health Plan Member Survey and HEDIS results will continue to be made available to CalPERS members to assist in their choice of health plans. Staff will continue to monitor the results to maintain and improve the quality of care for members. In addition, penalties and rewards for performance related to HEDIS measures are being included in contractual pay for performance provisions and performance guarantees with CalPERS health plan partners.

VI. STRATEGIC PLAN:

This directly relates to Goals X and XI of the Strategic Plan which state:

- "Develop and administer quality, sustainable health benefit programs that are responsive to and valued by enrollees and employers."
- "Promote the ability of members and employers to make informed decisions resulting in improved lifestyle changes and health outcomes."

VII. RESULTS/COSTS:

This is an information only item.

KATHLEEN DONNISON, Chief
Office of Health Plan Administration

KATHLEEN BILLINGSLEY
Assistant Executive Officer
Health Benefits Branch

Attachment